JANUARY 17, 1966

AUSTRALIA LIMITS
ITS TOBACCO MARKETING

PEACE CORPS "FARMERS"
SHARE THEIR KNOW-HOW

U.S. IS TOP SUPPLIER OF
PHILIPPINE FOOD INDUSTRY

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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JANUARY 17, 1966

VOLUME IV • NUMBER 3

Manila's newest supermarket, the Makati, is called the largest in Southeast Asia, in Walter A. Stern's article on page 10. Its modernity symbolizes the growing food industry in the Philippines.

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Pre-auction display of leaf, Brisbane, Australia.

Australia Limits Marketings of Domestic Tobacco

Several actions taken by Australian Government in recent months appear to have improved prospects for larger sales of U.S. tobacco leaf to Australia.

By WILLIAM L. RODMAN
U. S. Agricultural Attaché, Canberra

The Commonwealth Parliament has now made into law a tobacco industry stabilization plan which, in effect, puts a ceiling on leaf production for at least 4 years. Also, the percentage of domestic leaf that manufacturers are required to use in tobacco products in order to qualify for concessional import tariff rates has been pegged at 50 percent. These actions should enable imports to participate more fully in local market growth.

Further, the economic sanctions Australia has placed on trade with Rhodesia effectively cut off leaf supplies from that source and could result in the placing of additional orders in the United States.

Marketing quota confirmed by law

The stabilization plan, which has been in operation during the past year on an interim basis while the enabling legislation was being prepared, sets an annual domestic marketing quota of 26 million pounds (green weight) for 4 years. This represents the average annual volume of leaf sold at auction during the 3 years ending with 1964.

The 26-million-pound quota was accepted only after lengthy negotiations between growers, manufacturers, and government officials. The growers were reluctant to take such a substantial cutback from the 31.5 million pounds they sold in 1963-64, whereas the manufacturers were adamantly opposed to a quota much in excess of 23 million.

The marketing quota is divided among the tobacco producing States of Queensland, New South Wales, and Victoria. Each of these States allocates, in turn, individual grower quotas. As the 1964-65 leaf crop was damaged by difficult seasonal conditions, total offerings accepted for sale at auction amounted to only 23.5 million pounds and did not reach the marketing quota.

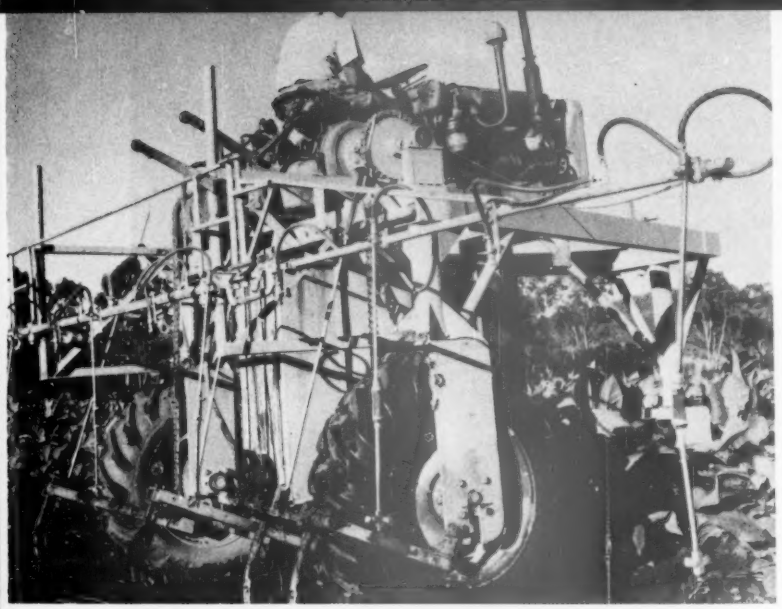
How the plan affects manufacturers

Australian tobacco manufacturers are required to use a minimum mixture of 50 percent domestic leaf in their products under the plan, in order to gain concessional tariff rates for imported leaf. This percentage is based on a total domestic usage of 52 million pounds of leaf annually (dry weight) and the marketing quota of 26 million pounds (green weight). The differential in weights is designed to allow the gradual absorption of surplus stocks.

Although manufacturers are not assigned individual quotas, each must in fact purchase at auction a proportion of the quota leaf offered equivalent to its share of the domestic products market. This share is determined by the volume of domestic and foreign leaf entered into factory use in the manufacturing year starting July 1. Stocks of domestic leaf are to be maintained at the 18-month level.

Grading still a problem

Basic to the plan is the development of a grade and floor price schedule, acceptable to both growers and manufacturers, that will yield an average minimum of 125 pence per pound ($1.17) based on a "normal" grade distribution. ("Normal" is defined as the average of the three crops harvested before the plan began.) Neither growers nor manufacturers were satisfied with the interim schedule in



Left, Australian-developed machine for spraying tobacco, now in commercial production. Grades, prices, and quality of local leaf are subject of disputes between growers and manufacturers.

Below, left, typical Australian crop. Production expansion 1956-64 led to need for quota on marketings.

operation at auctions this past year, and revisions are being negotiated before the start of the next auction series this coming March. The plan provides a Commonwealth Arbitrator to settle disputes on grades.

An Australian Tobacco Board is now being formed to administer the plan. It will be comprised of four grower representatives, four manufacturer representatives, a representative of each of the three State Governments concerned, and a representative of the Commonwealth as chairman. The Board will derive its powers and functions from complementary Commonwealth and State legislation. It will be financed by a slight addition to the levy that growers and manufacturers have been contributing annually for research.

Surpluses forced action

Tobacco has been grown in Australia for over 100 years, and harvests have increased from about 6 million pounds per year in 1956 to about 34 million in 1964. With no brake on production, and with relatively high prices—brought on in large measure by constant increases in the domestic-leaf mixing requirements—tobacco growing extended into some unsuitable areas.

By 1961, as a result, there was a substantial surplus of leaf—particularly of the lower grades—and a marked reduction in the average price obtained for the leaf sold. That year, the Commonwealth Government had to make available $392,000 (£175,000) to alleviate distress in the industry. Many producers were forced to switch to other crops, and in Western Australia commercial production of tobacco ceased altogether.

Nevertheless, leaf production again started to expand; in 1964 it reached a record of 34 million pounds. By this time, surplus stocks had built up to 13 million pounds above the volume manufacturers needed to meet the mixing requirements of that year, and this brought pressure for a plan to stabilize the industry.

What happened to imports

As Australian production increased during this period, imports of leaf dropped significantly. Imports from the United States, long Australia's principal supplier of manufacturing tobacco, had averaged 19.3 million pounds, valued at $16,576,000, during the 5 fiscal years starting with 1959-60. But in 1964-65, imports of U.S. tobacco dropped to 15.7 million pounds, worth $13,664,000.

Australia's economic sanctions on trade with Rhodesia could enhance the possibilities for increased sales of U.S. leaf. In 1964-65, Australia imported 7.4 million pounds of Rhodesian leaf worth $3,136,000. With this substantial import source cut off, and with a rollback in domestic production, prospects for U.S. leaf sales to Australia appear to be brighter than for some years.

New World Bank Loan To Help Uruguay's Livestock Producers

Late in 1965, the Uruguayan Senate approved a $12-million loan from the International Bank for Reconstruction and Development (World Bank) to extend the country's 5-year-old Plan Agropecuario until 1969.

Intended to finance the foreign-currency costs of the Plan, the new loan will help bring technological assistance and modern farm machinery to some 2,600 livestock producers within the next 4 years. A new feature included in the loan is an allocation of $1.5 million (official import rate) in credit assistance to farmers for livestock purchases. (Some may possibly come from U.S. herds.)

The Plan originated in 1957—a pilot program of complete pasture development of selected farms participating on a voluntary basis. Financing is shared by the Bank of the Republic of Uruguay (BOR) and loans from the World Bank on a 60-40 ratio, the latter the Uruguayan contribution. For various reasons, most importantly a lack of foreign funds, the Plan was not put into effect until July 1960 when the Uruguayan Legislature drew on funds from a World Bank loan of $7 million. Since then, however, the chief limiting factor has been the sporadic availability of national funds--restricting the use of World Bank funds because of the matching requirements.

The original goal was an enrollment of 600 farm operations by the time funds from the first World Bank loan were exhausted. Subsequent loans were to help finance 500 new projects in 1966, 600 in 1967, 700 in 1968, and 800 in 1969. However, an educational campaign to acquaint rural producers with the Plan's objectives was so successful that applications by the end of May 1964 far exceeded the number expected. By the time the funds from the first loan were completely committed through June 1965, some 1,480 farms or ranches had been enrolled in the program. The trend continued last year and prospects for the year ending May 31, 1966, are for 900 new projects instead of 500.

Livestock production down

The development program is aimed at Uruguay's livestock industry. Even though the industry has traditionally provided over 86 percent of the country's exports—chiefly greasy wool and canned beef to the United States—Uruguay is suffering from a low rate of productive investment and a consequent low level of livestock production. In past years Uruguayan ranchers have equated increase of production with acquisition of land and invested their money in new acreage rather than improving land already owned.

According to a 1964 study by the Uruguayan National Planning Commission, agricultural and livestock production in Uruguay over the past 30 years has increased at an annual cumulative rate of only 1.4 percent—little more than the annual population growth of 1.3 percent. Cattle raising grew at an annual rate of only 1.1 percent. In addition, domestic consumption has doubled resulting in continual decreases in products available for export.

Since the country has already committed all the available land resources to either crop production or cattle and sheep raising, greater output can be achieved only by increasing productivity per unit area, through the application of modern scientific agricultural methods. Principal goals are improved winter livestock feeding and restoration of soil fertility using improved varieties of grasses and inoculated legumes with necessary fertilizers.

Credit loans provided through Plan Agropecuario have helped to bring the technical advice and new methods to participating farms and to finance initial stages of development. Disbursed in phases over a 2-year period, the loans are to be paid within 7 years beginning after the second year. Interest rate is about 9 percent.

Requirements to enroll

Each farm or ranch is considered as an individual project with a program tailored to the capabilities and requirements of the particular farm operation. As the first step to include a land holding under the Plan, the establishment is visited and a comprehensive analysis is made and recorded on the farmer's application for assistance. Information evaluated includes location, tenancy, total value of lands, buildings, machinery, livestock, value of annual production, existing fencing, water sources and soil classification.

The BOR has the authority to turn down applicants who are financially unsound, or who have holdings too small to ever furnish an adequate income to the farmer. While farms with assets of $90,000 or more are also exempt from credit aid, many participate and contribute to the Plan.

The future of the Plan Agropecuario depends wholly on the increased productivity of participant farms. To obtain statistics on what the Plan has accomplished, some enrolled livestock farmers have been asked to maintain records of production costs and income. This requirement serves another purpose: it introduces a concept of farm management to many Uruguayan ranchers and farmers.

As productivity increases, administrators of the Plan expect landowners with capital to invest in development, and credit unions to offer more loans for this purpose.

Cuba-China Trade Pact May Not Be Renewed

The 1965 trade agreement between Cuba and Mainland China provided for the supply of 700,000 metric tons of raw sugar to China by Cuba, with the Chinese, in return, supplying 250,000 tons of rice and other foods, as well as machinery, medicines, furnishings and toys.

Cuba shipped about 700,000 tons of sugar to China in 1965 and received about 280,000 tons of rice. Since the United States terminated diplomatic relations with Cuba in 1960, sugar shipments to Mainland China have ranged from about 400,000 tons to 1,000,000 tons a year.

In a speech on January 2, Castro said that he had hoped to sell 800,000 tons of sugar to China this year. He stated, however, that China was shipping rice to North Vietnam for the soldiers and could not supply the amount provided for in the trade agreement. He also said he still hoped to ship 600,000 tons of sugar to China this year and to get 135,000 tons of rice from China.

Cuba will have some 5½ million tons of sugar available for export in 1966, and if the Cuba-China Trade Agreement is renewed, exports will be near this level. However, if the Chinese do not take sugar from Cuba, there can be serious economic repercussions. This year's sugar crop in China is larger than last year, and China is self-sufficient in sugar.

Peace Corps "Farmers" Share Their Agricultural Know-how

In an endeavor to help the developing world realize its agricultural potential and at the same time promote international goodwill, some 1,000 volunteers of the Peace Corps are now working on agricultural projects in 30 countries of Asia, Latin America, and Africa.

The Peace Corps, now well into its fifth year of existence, relies on skills, manpower, and enthusiasm of a wide cross-section of the U.S. population for its agricultural programs. Often working side by side on projects are the farmers, the youth with college degrees but little working experience, and the experienced scientists, engineers, and other specialists. In addition, there are scores of workers involved in farm improvement as a sideline to their regular activities, and thousands more agricultural volunteers could be used.

Though it has never pretended to meet the needs for the more sophisticated forms of technical assistance, the Peace Corps has in its few years of existence come up with a long list of accomplishments.

In India, where about half the volunteers are agricultural workers, the Peace Corps has helped build up a sizable poultry industry which numbers close to a quarter of a million laying hens. Thanks to these workers, many Indian farmers have seen how simple practices—such as keeping chickens penned rather than allowing them to run loose, improving feeding, and introducing sanitation measures—can transform scrawny, unproductive hens into good layers.

Public works volunteers in Pakistan are helping to build flood control devices and irrigation systems, while other workers are showing farmers how to increase crop yields in rice, wheat, cotton, and sugarcane.

In Brazil and Uruguay, volunteers are setting up programs similar to our 4-H clubs. In Ecuador and Panama they are teaching modern methods of crop rotation, soil and water conservation, animal husbandry, and foodstuff cultivation. And in most of these countries, farmers are being encouraged to set up marketing and credit cooperatives.

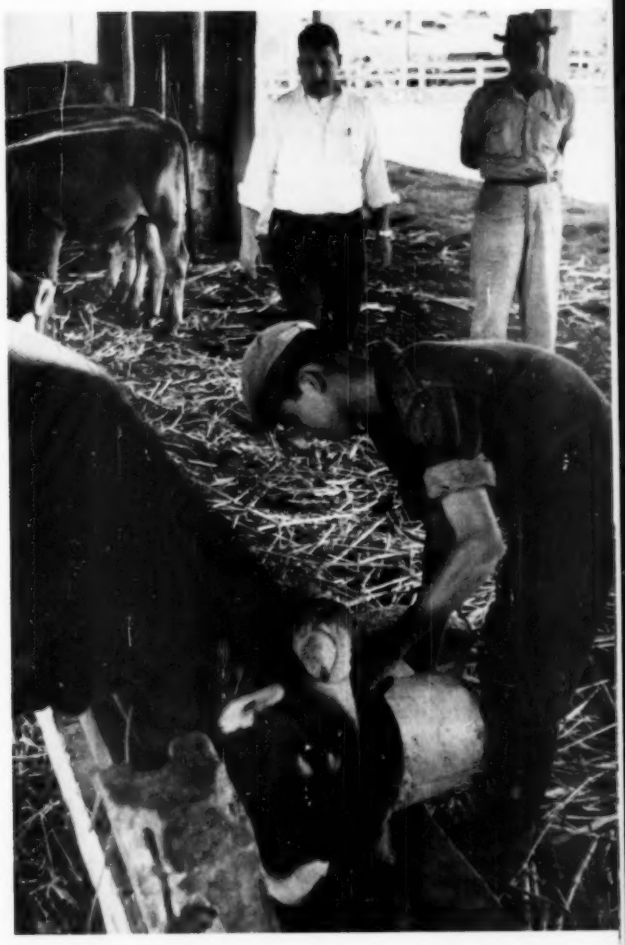
In Guinea, Niger, Nigeria, Senegal, Tanzania, Togo, and Tunisia, the emphasis is on improving soil conservation, crop yields, and farm management.

Individual efforts are often outstanding. One Peace Corps worker in the Near East—a farmer for many years—developed a farm implement that could be animal-drawn and would do such jobs as ridging, furrowing, cultivating, and even some types of planting. This was a great improvement over the traditional farm implement—the wooden plow. Another worker in El Salvador was the first soil scientist to develop accurate phosphorus fractionation methods that could be used in Central America. As a result of his findings, farmers in El Salvador and other Central American countries will be more successful in using fertilizer to increase crop yields.

Some 10,000 Peace Corps volunteers are serving abroad, about 1,000 of whom are farm workers. Above, one of these, Emory Tomor of Casabascas, California, helps farmers in Chile inoculate their hogs.

Right, George Seay of Buffalo became involved in agriculture via community development work; here tends demonstration garden he started in village near Victoria, Brazil.

Volunteer from Wisconsin, Herb Clauson, besides showing campesinos in Colombia how to raise rabbits, demonstrates (above) how to kill, dress, and cook the animals.



While in India, Charles Zumbro, above, worked on poultry development project; is shown inspecting a chicken. Right, Gayle T. Kantack works at main livestock experiment station in El Salvador.

U.S. Is Top Supplier of Growing Philippine Food Industry

By WALTER A. STERN
Assistant U.S. Agricultural Attaché
Manila

The rapid growth of the Philippines' processed food industry in the past few years has upped demand for a number of U.S. commodities.

Statistics from the Central Bank of the Philippines show that the value of processed food (excluding beverages) in 1963 increased by 52 percent over 1961 figures and 30 percent over 1962's. The total value of processed food during the first 9 months of 1964 was about 4 percent above the same period in 1963. There has been an expansion in the production of most food items with the exception of fish and bakery products.

In spite of the increase, this country is still not self-sufficient in its basic food requirements. About 10 percent of the domestic food consumption requirements have to be imported, especially dairy products, meat and meat products, some varieties of fruits, nuts and vegetables, and grains.

The development of the food canning industry has created demand for increased supplies of U.S. dry beans, primarily for use in pork and beans. Imports of dry and green beans in 1964 were valued at about $91,000, all of which came directly from the United States except for about $7,600 worth from Hong Kong. Imports for the first 6 months of 1965 were already above those for all of 1964. Small White and Great Northern beans are preferred here for the manufacture of pork and beans although other varieties such as Red Kidney and Lima beans are also being used.

Domestic production of beans is not sufficient to meet the requirements of the local canners. In addition to several small canneries of pork and beans, two larger canneries have recently begun operation.

Imports of dried and canned fruits during the past 3 years show that an increasing demand exists, and prospects for the future are that this trend will continue. Some $448,700 worth of raisins alone were imported in 1964 with all but $1,309 worth coming from the United States.

Per capita income in the Philippines has continued to increase and with it a demand for a higher quality diet. Raisins, prunes, peaches, walnuts, and almonds are not produced locally; therefore, there is a ready market for these commodities.

There are nine supermarkets in the Manila area. Last month another one, probably the largest one in this part of the world, was opened, with an attendance of 50,000 people during the first day of business.

The high tariff rates on imported food items have been a serious obstacle in the promotion of imported food.

There is, for instance, an ordinary tariff duty of 3.49 U.S. cents per pound on green beans and peas; of 1.75 cent per pound on dry beans and peas; and 100 percent ad valorem charges on canned beans and peas, on nuts, and canned corn. Also collected is a 7-percent advanced sales tax based on 125 percent of landed cost. A 1.7-percent special import tax based on c.i.f. cost has just ended. The United States, however, has a 10-percent duty preference over other foreign suppliers.

According to the trade, another serious source of competition to imported food items is the establishment of the National Marketing Corporation (NAMARCO), which can import food items without paying taxes and duties and only charge importers a handling fee.

Australia and New Zealand appear to be our chief competitors in the processed food market at this time.

Large Food Importers in the Philippines

Atkins, Kroll & Co., Inc.
313 Malugay St.
Makati, Rizal

N. Bautista Commercial Ent.
2180-2182 F. B. Harrison
Pasay City

Connell Bros. Co. (Phil)
2111 Pasong Tamo
Makati, Rizal

Dy Buncio & Co.
305 Lavezares
Binondo

Filipro, Inc.
2227 Pasong Tamo Ext.
Makati, Rizal

Getz Bros. & Co., Inc.
2600 Pasong Tamo
Makati, Rizal

Kaw Sek
804 Globo de Oro
Quiapo, Manila

Ed. A. Keller & Co.
Pasong Tamo
Makati, Rizal

Ker & Co.
Conde de Gamazo
Marquez de Comillas, Manila

Laureano Bros. Co., Inc.
Pasong Tamo
Makati, Rizal

Lo Siong
460 T. Pinpin
Binondo

Macondray & Co., Inc.
9th Floor, Makati Bldg., Ayala Ave.
Makati, Rizal

ACME Supermarket
Padre Faura
Manila

Makati Supermarket
Ayala Ave.
Makati, Rizal

Marsman & Co.
Buendia Ave.
Makati, Rizal

Marvex Commercial Co., Inc.
13 and Chicago Sts.
Port Area, Manila

NAMARCO
Muelle de la Industria
Manila

Ong Sit & Co.
317 San Fernando
Binondo

Porta, Pueo y Cia
1312-1330 Perez
Paco, Manila

Reliance Commercial Ent.
Far East Bank Bldg., Buendia Ave.
Makati, Rizal

Smith, Bell & Co.
466 Echague
Quiapo, Manila

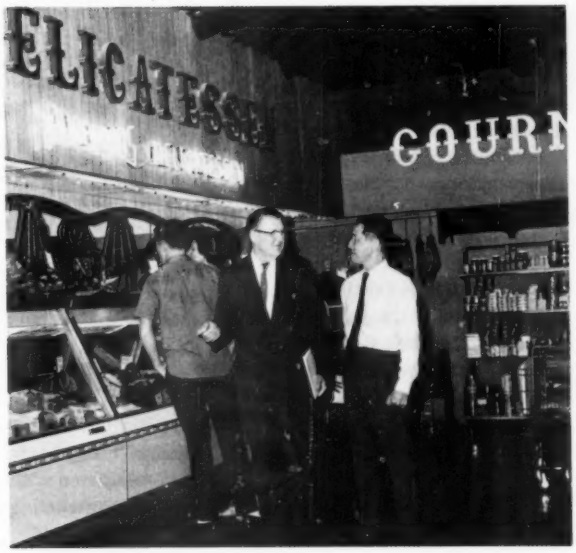
A. Soriano y Cia
A. Soriano Bldg., Ayala Ave.
Makati, Rizal

Philippine Packing Corp.
Ledesma Bldg., Sta. Lucia Cor. Anda St.
Intramuros

International Packers, Ltd.
Plaza Lawton
Manila

New Manila Supermarket—Largest in Asia—Sells Wide Variety of U.S. Food Products

Right, Lee R. Paramore, U.S. Agricultural Attaché at Manila, is shown through the handsome new Makati Supermarket by its owner, John Ng. Below, U.S. hams and other pork products on sale at the market.



Below, at the market's check-out area, Filipino kiddies were asked to have a free photo made with Santa at the North Pole in a Christmas promotion highly reminiscent of those in the United States. Left, the market's modern dairy department.

1965 Exports of U.S. Registered Holsteins Top '64 Record

U.S. exports of registered Holsteins in 1965 have capped a 4-year ascent with a 73-percent jump over the record set in 1964.

According to official Holstein-Friesian Association data on cattle officially transferred to new owners, 3,626 Holstein breeding cattle were recorded as sold to foreign buyers in 1965, with about 400 more head sold, but not yet recorded. The 1964 figure of 2,092 head was an increase of 56 percent over 1963.

Much of the credit for the uptrend goes to a market development program putting major emphasis on personal contact by USDA and Holstein-Friesian Association specialists in potential foreign markets.

Initial trips abroad as classifiers and judges of domestic cattle allow the U.S. specialists to make contacts with prospective buyers of registered Holsteins. Once sales have been made, educational and technical assistance helps purchasers achieve top results.

Mexico, which at one time purchased grade cattle almost entirely, held its position as top market for Holstein breeders in 1965, with imports of 1,045 head—up from 918 the year before.

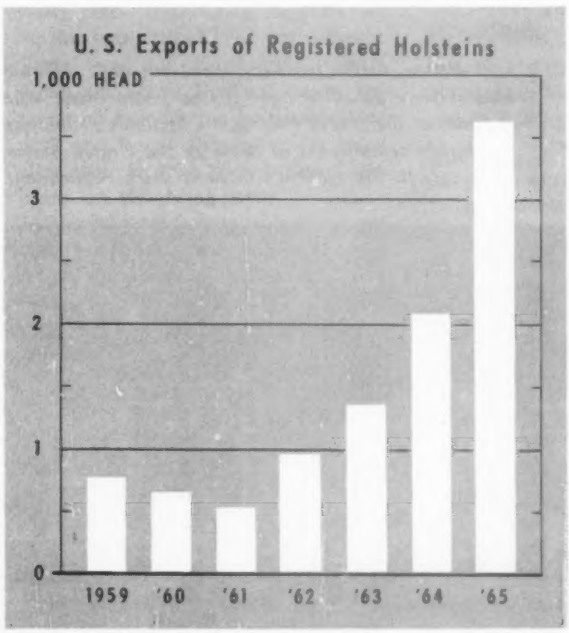
Second largest buyer was Venezuela, whose import trend shows only one decline in the past 6 years. From 26 head in 1960, sales rose to 501 in 1964 and 782 in 1965. Venezuelan buyers have been impressed by the ability of U.S. Holsteins to acclimate, making cross-breeding less of a prerequisite for survival.

Italy—where farmers are building herds for quality and replacing diseased animals—increased its purchases to 648 in 1965, a 620-percent jump over 1964 imports. Market development in Italy has also included promotion and demonstrations at trade fairs and exhibits.

Newest big market for registered Holstein breeding cattle in 1965 was Korea, which bought 239 head, compared with only 2 in 1964. Since 1959, when a USDA marketing specialist accompanied 20 grade Holstein heifers to Korea as a gift to an orphans home, that country has become the fourth largest market for U.S. dairy cattle, with takings between 1961 and 1965 exceeding $1.2 million in value.

Korean farmers have become increasingly aware of the merits of registered stock, and in 1965 roughly 50 percent of the U.S. Holsteins imported were registered.

Nigeria, whose experience with breeds from Europe has been unsuccessful, increased U.S. purchases from 35 in 1964 to 100 in 1965. Sales to Peru went from 3 to 125 in the same period. Canada upped imports from 86 to 169.



New Maid of Cotton to Canada and Italy

With a debut at the New Year's Day Cotton Bowl Festival, the 1966 Maid of Cotton, Texan Nancy Bernard, began a year of promotion and good will tours that will take her across the country and to Canada and Europe.

First trip, in late January, will be to Canada—a top market for U.S. cotton—where the Maid will be guest of Cotton Council International, FAS, and the Canadian Cotton Council. Fashion shows and in-store appearances, in cooperation with Canada's largest department store chain and McCall's patterns, will promote cotton piece goods.

The European itinerary in the spring has not yet been firmed up, but plans now call for a week in Italy for trade meetings in Milan and showings in San Remo of spring leisure wear and rainwear. By the time the MOC arrives, the best of CCI's 1966 idea collection will be ready for modeling before retail customers. While there, she will also make a film for use in various promotion programs.

Her appearance will be coordinated with ongoing cotton market development programs in each country visited.

Mexico, Once a Top U.S. Bean Market, Is Now World's No. 2 Producer and a Net Exporter

In 1965, Mexico harvested its largest bean crop in history—19,908,000 bags (of 100 lb. each). This is only slightly larger than the 1964 crop of 19,665,000 bags, but more than twice as large as the 1955-59 average of 9,792,000.

After several years of rapidly rising bean production, Mexico has become second among the world's bean producers, displacing the United States, which in 1964 produced 17,789,000 bags and in 1965 only 16,501,000. Brazil, as usual, occupies first place, with an output that is estimated at 41 million bags for 1965-66.

Kinds and areas

Mexican bean production is not reported by classes, but informed guesses indicate 20 percent of the 1965 crop to be black beans, 40 percent Bayo or other brown beans, and 35 percent other classes, including white beans.

Among the fastest growing bean-producing areas in Mexico are the States of Sinaloa and Nayarit on the west coast. Sinaloa now holds first place among Mexican States for production of beans under irrigation (50,000 acres) and fifth place for bean production in total.

Nearly a third of the 60,000 acres in Sinaloa produce black beans. These compete with U.S. black beans in Latin American markets. They are superior in quality to black beans grown in southern Mexico. It is estimated that the 20,000 acres of black beans in Sinaloa could be increased to 50,000 if markets were available.

Changes in trade

Mexico was the largest importer of U.S. beans for a number of years in the early 1950's. But with increasing domestic production, its imports from the United States have declined to nominal quantities delivered immediately across the U.S.-Mexican border; and Mexico has reversed its position from that of net bean importer to that of net exporter.

Mexico did not report details of its 1964 bean imports, but U.S. exports to Mexico that year totaled 220,000 bags — principally pintos and seed beans. Mexican exports in 1964 were 440,000 bags, 285,000 of which were black beans sent chiefly to Venezuela. The balance of 155,000 consisted of other classes and was mostly sent to British Guiana.

Surpluses a problem

With increased production, bean stocks have accumulated in the Mexican agency CONASUPO (a government-owned agricultural price stabilization and distribution company). This agency reportedly is still holding beans, which are largely unsalable, from the crops of 1960 through 1963. They are not only old and in poor condition but consist principally of pintos and Bayos for which there is little or no foreign market.

CONASUPO will be the sole exporter of beans from Mexico in 1966. Some firms are negotiating with the agency to pass CONASUPO beans through their cleaning plants and thus may sell or export them in behalf of that agency, though not taking actual ownership.

Beans Short in Yugoslavia

The 1965 bean crop in Yugoslavia is estimated at 1,907,000 bags. This is 63 percent below last year's output and 53 percent below the average for 1955-59.

A drought-ridden summer and fall, plus reduced acreage of beans interplanted with corn, were the major causes for the decline. In Yugoslavia, beans do not yield well when interplanted with close-seeded hybrid corn; so, as hybrid corn acreage rises, that of interplanted beans falls.

Imports of beans will be required within 2 or 3 months when present supplies are exhausted. The Federal Food Administration carried over a large supply of 1964-crop beans, but these as well as the short 1965 crop will soon be gone.

Hopes for larger supplies

Announcement of an increase in the guaranteed price is expected for 1966-crop beans. This will be aimed at increasing the 1966 acreage. Yugoslavia, although a sizable exporter of beans before World War II, has varied between exporting and importing beans in recent years, as the following figures show:

	Imports	Exports
	1,000	*1,000*
Average:	*bags*	*bags*
1955-59	69	140
Annual:		
1961	0	226
1962	18	0
1963	69	7
1964	111	8

Of Yugoslavia's bean imports, considerable quantities have come from the United States, often under Public Law 480. In 1955-59, U.S. exports to Yugoslavia averaged 49,000 bags. In the 1960-61 and 1961-62 marketing years (beginning Sept. 1), there were none; but in the next 3 years they rose successively to 64,000, 110,000, and 122,000 bags.

Venezuela Needs More Beans

Goals established under Venezuela's *Plan de la Nación* (1965-68) envisioned a 31-percent increase in pulse production for 1966 over 1965. Black beans were to be increased 36 percent; other beans, 43 percent.

Planners aimed to support this increase by a program of so-called credit inputs, which includes supplying fertilizer and improved seed to farmers on credit.

Production and plans

Venezuela's 1965 pulse production and its 1966 goals follow:

	1964	1965[1]	1966 goal
	1,000	*1,000*	*1,000*
	bags	*bags*	*bags*
Black beans	551	551	750
Other beans	327	340	485
Peas	26	51	53
Pigeon peas	105	110	121

[1]Estimated.

Official Venezuelan import data for 1965 are not yet available, but preliminary trade estimates place black bean imports during 1965 at about 291,300 bags (100 lb. each), of which 67 percent was supplied by Mexico. All licenses for the importation of black beans either expired or were suspended as of September 30, 1965.

The United States currently appears to be the primary source of black beans for this market, but prices (at 14 cents per lb. c.i.f.) are considered to be very high. Mexico reportedly should have ample quantities for export by February 1966.

—ORVAL E. GOODSELL
Grain and Feed Division, FAS

Rhodesia To Increase Wheat Production

Rhodesia imports nearly all of its wheat requirements. The country's 1965 crop is estimated at 140,000 bushels from about 4,000 acres, or nearly twice the quantity produced the year before. With annual consumption at about 3 million bushels, the current crop represents slightly less than 5 percent of Rhodesia's yearly requirements.

The government's agricultural policy is to attain self-sufficiency in all foodstuffs, especially those commodities that can be produced at reasonable costs in the Rhodesian climate. A program is now underway to increase wheat cultivation sharply, utilizing irrigated lands to attain self-sufficiency in wheat within a few years. Wheat imports, which come mainly from Australia, are expected to decline accordingly.

ICC Grants Export Quota Waivers

The International Coffee Council, meeting in London in early December, granted export quota waivers totaling 1,357,000 bags (132.3 lb.) to 22 producing countries. This action was a compromise solution between those countries that wanted upward revisions of their basic quotas and those that opposed such a move.

In addition, the Council suspended penalties that were to have been put into effect against several countries that overshipped their quotas in 1964-65. These actions should assure a steady flow of coffee to world markets and the continued functioning of the International Coffee Agreement, which thus far has contributed much to stabilizing the prices of green coffee sold to importers.

The action of the London conference provided that only half these waiver totals could be used prior to March 31 and also that they be discontinued if the price of any particular type of coffee dropped to a level of 2 or more cents per pound below those prevailing on December 10. Provisions were also made for restoring the waivers in the event prices rose again.

Although the meeting resulted in a stronger Agreement, it did not solve the problem of basic quota revisions, a move demanded by many producing countries. This subject is now scheduled for the next Council session, probably in late spring 1966.

Soviet Union Large Honey Producer

The current level of honey production in the Soviet Union apparently is 90-95,000 metric tons. The United States is the only country with a larger production.

There are reportedly 10.3 million bee colonies in the USSR. Bees can work for nectar in large areas of buckwheat, sunflowers, coriander, mustard, cotton, melons, fruit, and berries, as well as the vast Siberian forested area. These resources are said to be adequate for a threefold to fourfold increase in the number of bee colonies maintained in the country. Nevertheless, colony numbers have decreased on many farms in recent years.

Although honey production is said to be inadequate to meet the domestic demands, it has been exported in recent years. Honey exports totaled over 10 million tons in 1962-64. The principal buyers are Poland and Hungary.

Canadian Sugarbeet Growers Get Advance

Canadian sugarbeet growers have received an advance of C$2 per ton on their 1965 crop.

The payment was made by processing plants through arrangements with the Agricultural Stabilization Board, which is administering a price support program of C$14.35 per standard ton (250 lb. of sugar) during the 1965-66 season (September-August). The plants made payments by the end of December and can claim reimbursement from the ASB after May 1, 1966.

Acting Prime Minister Paul Martin said the payment would help producers meet production cost commitments that normally fall due at the end of the year. He added that the outlook for sugar prices is such that a deficiency payment undoubtedly will be necessary next fall. The C$2 paid in December represents an advance on this payment.

The ASB made a deficiency payment of C$3.15 a ton on 1964-crop beets, which were supported at C$13.72 per standard ton on a national average. The floor price for the current season is C$0.63 higher than in 1964-65, and sugar prices this season have been lower to date than those of a year ago.

Because of the low level of both Canadian and world sugar prices, processors' initial prices to producers are substantially below those of the past. The Canadian Government fears that these low prices may cause a reduction of 1966 sugarbeet acreage to below the level deemed necessary for efficient operation of the industry.

Australian Honey Production Lower

Australian honey production for 1964-65 amounted to 42.1 million pounds. This was 7.8 percent below the 1963-64 production and 20.9 percent less than the record 1948-49 crop of 53.2 million pounds.

Exports for 1964-65 amounted to 13.7 million pounds, compared to 18.9 million for 1963-64 and 26.8 million for 1962-63. The United Kingdom took 8 million pounds and Western Germany took 25 million. These exports were much lower than for the previous 2 years. Exports to Japan, however, were up to 1.7 million from the 1 million pounds for 1963-64 and the 315,000 for 1962-63.

Larger Spanish Dried Apricot Pack

Spain's 1965-66 dried apricot pack has been estimated at 2,800 short tons, or 600 tons over the previous year. Reportedly, increased apricot production created marketing problems in the fresh market, thereby causing a diversion of some apricots into dried form. The quality of the new pack is thought to be better than that in 1964-65.

Exports may increase slightly over the 1,600 tons exported in 1964-65. During 1964-65, the Scandinavian countries of Norway, Denmark, Finland, and Sweden were the major foreign markets for Spanish dried apricots.

As of December 1965, prices f.o.b. Palma de Mallorca were 18.9 U.S. cents per pound. Extra choice dried apricots for U.S. imports, opened at 27.7 cents f.o.b. Palma, but declined to 25.9 cents by early December.

SPAIN'S DRIED APRICOT SUPPLY AND DISTRIBUTION

Item	1964-65	1965-66 [1]
	Short tons	*Short tons*
Beginning stocks (Sept. 1)	—	—
Production	2,200	2,800
Total supply	2,200	2,800
Exports	1,600	1,700
Domestic disappearance	600	700
Ending stocks (Aug. 31)	—	400
Total distribution	2,200	2,800

[1] Estimate.

Iran's Dried Apricot Pack Increases

Iran's 1965-66 dried apricot pack increased for the second consecutive year following a short crop in 1963. The preliminary estimate of the current pack is 8,800 tons compared with 8,300 the previous year; however, the total supply may be smaller because of substantially lower beginning stocks. Production increases are attributed to favorable weather conditions.

Exports are expected to decrease from the 1964-65 level of 8,300 tons and may total 7,200 tons. Shipments during the first two Iranian calendar quarters (Mar. 21-Sept. 22, 1965) amounted to approximately 2,100 tons. Thus far, East Germany, West Germany, Iraq, the Soviet Union, and France are the leading foreign markets for this year's exports.

The wholesale price of dried apricots on the Tehran market, converted at the official exchange rate, was 14 U.S. cents per pound during November 1965.

IRAN'S DRIED APRICOT SUPPLY AND DISTRIBUTION

Item	1963-64 [1]	1964-65 [2]	1965-66 [3]
	Short tons	*Short tons*	*Short tons*
Beginning stocks (Sept. 23)	500	1,400	200
Production	4,400	8,300	8,800
Total supply	4,900	9,700	9,000
Exports	2,400	8,300	7,200
Domestic disappearance	1,100	1,200	1,100
Ending stocks (Sept. 22)	1,400	200	700
Total distribution	4,900	9,700	9,000

[1] Final revised.
[2] Revised.
[3] Estimate.

Higher Estimate For Iran Raisin Pack

The 1965-66 Iranian raisin pack has been tentatively estimated at 55,000 tons—up 16,000 tons from the short 1964-65 crop, but 10,000 tons below production in 1963-64. Reportedly, adverse weather reduced the size of the latest pack.

IRAN'S RAISIN SUPPLY AND DISTRIBUTION

Item	1963-64	1964-65 [1]	1965-66 [2]
	Short tons	*Short tons*	*Short tons*
Beginning stocks (Sept. 23)	1,000	1,000	1,000
Production	65,000	39,000	55,000
Total supply	66,000	40,000	56,000
Exports	45,000	20,000	35,000
Domestic disappearance	20,000	19,000	20,000
Ending stocks (Sept. 22)	1,000	1,000	1,000
Total distribution	66,000	40,000	56,000

[1] Revised.
[2] Estimate.

If present estimates materialize, Iran may export 35,000 tons, or approximately 15,000 more than the previous year. During Iran's first 2 quarters (Mar. 21, 1965-Sept. 22, 1965), East Germany proved to be the largest overseas market, followed by the Soviet Union, West Germany, and Iraq.

The wholesale price of raisins in the Tehran market during November 1965 (converted at the official exchange rate) was 12 U.S. cents per pound.

New Iraqi Date Syrup Factory Planned

Reports from Baghdad indicate plans are being made for a joint industry-government venture to establish a date syrup factory in Karbala. Capital for the new firm will range between $560,000 and $700,000. Participants include the Iraqi Date Administration, date cooperatives, the Industrial Bank, the Karbala Chamber of Commerce, and several Iraqi merchants. Only one factory in Iraq now produces date syrup entirely by machine.

Fishmeal Production and Exports by FEO

Production and exports of fishmeal by the six members of the Fishmeal Exporters' Organization (FEO) in January-October 1965 declined 9 percent and 4 percent, respectively, from the same 1964 period.

These countries account for more than 90 percent of the world's exports of fishmeal. Peru, the major producer, accounts for about two-thirds of the FEO tonnage.

PRODUCTION AND EXPORTS OF FISHMEAL BY FEO COUNTRIES, JANUARY-OCTOBER 1964 AND 1965

Country	Production		Exports	
	1964	1965	1964	1965
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Angola	[1] 35.7	[1] 26.6	[1] 37.1	[1] 30.1
Chile	125.0	52.6	114.8	60.4
Iceland	115.3	120.4	101.0	103.7
Norway	162.6	285.7	156.0	202.9
Peru	1,189.6	951.6	1,183.0	1,122.2
South Africa	247.4	267.6	194.0	194.7
Total	1,875.6	1,704.5	1,785.9	1,714.0

[1] Does not include data for September and October.
Fishmeal Exporters' Organization, Paris.

Nigeria's Purchases of Palm Products Up

The Regional Marketing Boards of the Federation of Nigeria, as of November 25, 1965, had purchased 398,226 long tons of palm kernels and 153,238 tons of palm oil (all grades). Purchases through November 26, 1964, totaled 367,109 and 139,224 tons respectively.

U.S. Exports of Soybeans, Oils, Cakes, Meals

Soybean exports from the United States in November pushed to a new monthly record of 39.4 million bushels—7.1 million above the previous high volume exported in October. Cumulative exports in the September-November period were one-eighth above those in the comparable 3-month period of 1964.

U.S. *edible oil* exports in November at 78.8 million pounds, although significantly above those in October, were sharply below the volume exported in November of 1964. Cumulative exports for the October-November period were also sharply below those of the like period a year ago.

Cake and meal exports in November at 352,600 short tons were 161,000 tons above those in October. Cumulative exports during the October-November period rose by one-fifth from the comparable months in 1964.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS AND OILSEED CAKES AND MEALS

Item and country of destination		November		Sept.-Nov.	
		1964[1]	1965[1]	1964-65[1]	1965-66[1]
SOYBEANS					
Japan	mil. bu.	6.3	7.0	14.4	17.2
Germany, West	do	2.7	5.3	8.8	10.0
Netherlands	do	4.0	5.9	10.5	9.8
Italy	do	1.9	3.6	3.7	6.1
Other	do	12.5	17.6	30.6	33.4
Total	do	27.4	39.4	68.0	76.5
Oil equiv.	mil. lb.	300.6	432.2	746.8	839.8
Meal equiv.	1,000 tons	643.4	925.0	1,598.4	1,797.4
EDIBLE OILS		November		Oct.-Nov.	
Soybean:[2]		1964[1]	1965[1]	1964-65[1]	1965-66[1]
Iran	mil. lb.	5.7	11.8	11.9	25.1
Tunisia	do	—	4.1	—	7.7
Colombia	do	—	5.5	([3])	5.5
Morocco	do	8.9	1.8	8.9	5.1
Canada	do	2.7	2.2	5.1	4.0
Ecuador	do	.5	2.7	1.0	3.6
Israel	do	3.5	3.5	5.7	3.5
Haiti	do	.7	1.0	1.1	2.2
Australia	do	1.1	1.6	1.1	2.1
Other	do	94.7	2.4	193.3	9.4
Total	do	117.8	36.6	228.1	68.2
Foreign donations[4]	do	—	4.3	—	10.1
Total soybean oil	do	117.8	40.9	228.1	78.3
Cottonseed:					
Germany, West	do	2.4	10.0	14.1	11.7
Canada	do	4.5	5.0	7.7	9.7
Venezuela	do	1.4	4.0	3.4	7.8
Morocco	do	—	6.6	—	6.6
Iran	do	2.3	4.2	3.0	5.7
Netherlands	do	.5	1.9	.5	4.6
Swedan	do	—	2.3	—	2.3
Japan	do	.2	1.4	.2	2.2
Other	do	10.8	2.5	28.7	5.4
Total	do	22.1	37.9	57.6	56.0
Foreign donations[4]	do	[5]11.1	([3])	[5][6]22.3	.7
Total cottonseed oil	do	33.2	37.9	79.9	56.7
Total oils	do	151.0	78.8	308.0	135.0
CAKES AND MEALS					
Soybean:					
Germany, West	1,000 tons	28.7	66.7	50.2	79.3
France	do	32.6	46.4	56.5	76.2
Netherlands	do	35.9	41.6	57.4	61.9
Canada	do	27.6	29.5	53.3	47.8
Italy	do	6.9	24.7	21.3	34.7
Belgium-Luxembourg	do	19.6	21.2	33.4	30.2
Denmark	do	12.0	13.1	21.5	21.6
Yugoslavia	do	32.6	11.6	32.6	11.6
Other	do	40.8	44.2	65.2	80.9
Total	do	236.7	299.0	391.4	444.2
Cottonseed	do	28.1	25.2	40.8	48.9
Linseed	do	7.0	23.0	19.4	44.8
Total cakes and meals[7]	do	271.8	352.6	451.6	544.2

[1] Preliminary. [2] Includes Titles I, II, III, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Less than 50,000 lb. [4] Title III, P.L. 480. [5] Estimated by USDA, includes salad oil and oil in shortening. [6] October-December estimates by USDA. [7] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records and USDA estimates.

Note: Countries indicated are ranked according to quantities taken in the current marketing year.

Japan's Imports of Soybeans, Meal, Safflower

During November 1965, Japan's imports of soybeans and soybean meal continued to increase from those of the previous years, while imports of safflowerseed declined.

JAPAN'S IMPORTS OF SOYBEANS, SAFFLOWERSEED, SOYBEAN MEAL

Commodity and major source	1964	January-November 1964	January-November 1965
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*
Soybeans	1,607.2	1,428.0	1,630.8
United States	1,322.5	1,171.9	1,272.0
Safflowerseed	199.4	184.4	102.5
United States	198.2	183.2	101.7
Soybean cake and meal	13.3	13.2	33.5
United States	13.2	13.1	31.9

Soybean imports during January-November, at 1.6 million metric tons (59.9 mil. bu.), were 14 percent above those in the comparable period of 1964 and 1 percent above total imports in 1964. Purchase of U.S. beans, at almost 1.3 million tons (46.7 mil. bu.), rose 9 percent.

Imports of soybean cake and meal, of which 95 percent came from the United States, totaled 33,484 tons, over 2.5 times the tonnage imported through November 1964.

Safflowerseed imports, virtually all from the United States, declined to 102,475 tons, 44 percent less than in the comparable period of the previous year.

Tung Oil Shipments From Buenos Aires

Shipments of tung oil from Buenos Aires in November amounted to 1,264 short tons. This volume, although somewhat above that in the previous month, was sharply below that of the comparable month a year ago.

Cumulative shipments in the August-November period of the current marketing year were 2,622 tons below those of the corresponding 4-month period in 1964. In the same period, shipments indicated as destined for the United states were 1,470 tons below those in 1964.

TUNG OIL SHIPMENTS FROM BUENOS AIRES[1]

Origin and destination	October	November		Aug.-Nov.	
	1965[2]	1964	1965[2]	1964	1965[2]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Argentina:					
To United States	—	1,554	691	2,806	1,007
To other countries[3]	655	591	—	2,356	1,212
Total	655	2,145	691	5,162	2,219
Paraguay:					
To United States	459	743	573	1,469	1,798
To other countries[3]	8	12	—	24	16
Total	467	755	573	1,493	1,814
Total:					
To United States	459	2,297	1,264	4,275	2,805
To other countries[3]	663	603	—	2,380	1,228
Grand total	1,122	2,900	1,264	6,655	4,033

[1] Presumed to represent virtually all of the tung oil exported from Argentina and Paraguay. [2] Preliminary. [3] Largely to West European countries.

From shipments data, Boletín Marítimo, Buenos Aires.

Japan's 1966 Soybean Imports From China

Japan's imports of soybeans from Communist China in 1966 are expected to total 360-400,000 metric tons (13 to 15 mil. bu.), or about the same as those of last year.

Negotiations on the fourth year's trade under the Liao-Takasaki (L-T) arrangement were made in Peiping last September. The Japanese delegation had hoped to purchase 300,000 tons, compared with 280,000 tons last year, but the Chinese refused to increase the quantity, and both sides agreed to leave it at the 1965 level.

While imports of Communist Chinese soybeans under the L-T Agreement started only in 1963, imports through the Canton Fair group, or so-called Friendly Firms, have been recorded for many years in the postwar period. At the latest fair, held during October 15-November 15, 1965, contracts were made totaling 40,000 tons. All beans are "variety beans," which are better suited for food purposes than for oil. Trade sources expect that contracts for an additional 40,000 to 80,000 tons for 1966 will be signed at the next Canton Fair in April.

The following tabulation shows Japan's negotiated purchases of soybeans from Communist China and actual imports from that country, 1963-66:

Year of shipment	Negotiated: Liao-Takasaki (5-year agreement)	Negotiated: Canton Fair	Negotiated: Total contracts	Actual imports
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
1963	150.0	104.0	254.0	226.6
1964	205.0	82.1	287.1	283.6
1965	280.0	62.0	342.0	[1] 400.0
1966	280.0	[2] 80.0-120.0	[2] 360.0-400.0	[2] 400.0

[1] Preliminary estimate; January-October, 343,468 tons. [2] Preliminary estimate.

Takasaki Office, Japan-China Export-Import Union and Customs Bureau, Ministry of Finance.

The following is the schedule of soybean shipments and methods of payment under the L-T Agreement between Japan and Communist China, for November 1965-December 1966:

Date of shipment	Method of payment and quantity: F.o.b.[1]	Method of payment and quantity: C. & f.[2]	Method of payment and quantity: Total	Price per metric ton
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*Pounds sterling*
1965:				
Nov.-Dec.	45	10	55	[3] 36.2.0
1966:				
Jan.-Feb.	39	[4] 16	55	[5] 38.19.6
Mar.-Apr.	45	10	55	—
May-June	45	10	55	—
July-Sept.	50	10	60	—
Nov.-Dec.	45	10	55	—
Total	224	56	280	—

[1] Japanese importers will receive soybeans at Chinese ports.
[2] China will handle the transportation to Japan.
[3] Equivalent to $101.08.
[4] Freight for c. & f. agreed at £2.6.6 ($6.51) per ton.
[5] Equivalent to $109.29.

Takasaki Office, Tokyo.

Argentine Flaxseed Estimate Revised

Argentina's 1965-66 flaxseed production is placed at 26 million bushels, according to the first official estimate. This is a decline of 19 percent from the 32.1 million bushels produced last year and 1.6 million bushels less than the official pre-estimate (*Foreign Agriculture*, Dec. 20, 1964). The crop was reduced by drought early in the season and excessive rains at harvest time, the latter particularly in Entre Rios Province. Seeded area was 11 percent above that of a year earlier.

Brazilian Cotton Exports Up Slightly

Cotton exports from Brazil in 1964-65 (August-July) totaled 1,040,000 bales (480 lb. net), slightly above 1963-64 exports of 1,023,000 bales. In the first 2 months of 1965-66, exports totaled 165,000 bales, compared with 134,000 in the same period of 1964-65.

Exports in 1964-65 to principal destinations, in thousands of bales and with comparable 1963-64 figures in parentheses, were West Germany 242 (250), Netherlands 135 (116), Japan 131 (114), Hong Kong 110 (54), United Kingdom 84 (82), Belgium-Luxembourg 84 (45), France 57 (69), USSR 51 (138), Republic of South Africa 39 (31), Spain 25 (9), Taiwan 20 (10), Yugoslavia 11 (11), Thailand 11 (1), Australia 9 (6), and Italy 7 (13).

The 1964-65 Brazilian cotton crop is now placed at 2.1 million bales, down 9 percent from the 1963-64 harvest of 2.3 million. Unfavorable weather reduced the 1964-65 Northern crop to around 0.8 million bales, compared with 1.0 million a year earlier. The 1965-66 Northern harvest just completed is estimated at 0.8 million bales, the same as a year earlier. It is too early to forecast the 1965-66 Southern crop (harvest begins in March), but, based upon distribution of planting seed, production may be as much as 10 percent below last season's outturn of 1.3 million.

Cotton consumption in Brazil in 1964-65 was estimated at 1,150,000 bales, down 150,000 from a year earlier. Consumption this season is expected to increase somewhat from last season's level. Stocks on hand on August 1, 1965, were estimated at around 750,000 bales.

Japan To Increase Tobacco Acreage

The Japan Monopoly Corporation plans to increase the area planted to tobacco in 1966 to 216,089 acres from 212,382 acres last year.

Prices to be paid to growers this year also have been raised. They will average about 6 percent above those of last year, with largest increases planned for the better grades of flue-cured and burley leaf.

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South African Corn, Wheat and Herds Suffer From Long Drought

Drought conditions in the Republic of South Africa, steadily worsening since 1963, have reached the critical stage. Heavy damage to wheat, corn, cattle, and sheep in the Northern Cape, Northern and North-Western Transvaal, and the Western Orange Free State already exceeds that of the long drought of 1933.

Hardest-hit areas are the Transvaal and Cape regions, where some districts have suffered 4 to 7 years, with annual rainfalls of 10 to 25 inches or less.

Weather Bureau officials indicate that while the drought-stricken areas have had some precipitation, they have had none of the consistent, widespread rain needed to revive the soil. Rain has come in short, ineffective deluges during thunderstorms failing to penetrate the soil, or in occasional scattered showers followed by intense heatwaves that dry up the moisture.

South Africa's 1964 and 1965 corn crops were ruined by the drought. Crops of only 4.3 million metric tons were harvested against potential 6.3 million-ton record crops, and it is possible the 1966 crop will not be better. Farmers in the Central and West Orange Free State and the Western Transvaal have delayed planting and been afraid to plow formerly cultivated land because of serious wind erosion that threatens plantings.

Wheat crops have also been ruined by drought and cold October weather. The 1965-66 production estimate for the Orange Free State is only 325,000 metric tons against 462,000 in 1964.

Hardest-hit areas are sheep and cattle ranching regions, where natural vegetation of grass and bush are the most important source of animal feed. All grazing is reported to have disappeared and it is claimed that it might take 3 to 4 years of normal rainfall to restore the condition of the veld in some districts. Owing to low annual rainfall and the absence of irrigation schemes, little, if any, additional fodder is produced. Consequently, once the natural vegetation is ruined by a persistent drought, the livestock is subject to starvation unless fodder is shipped in from producing areas. Trains carrying fodder are now running almost nonstop, 24 hours a day in an effort to save cattle.

An estimated 2.5 million sheep are now in severely stricken areas, and unless heavy rain falls this month in the Southern and South-Eastern Orange Free State another 3.5 million sheep will be affected. It is unofficially estimated that the Northern Cape sheep population of more than a million has been reduced by at least one-fourth.

Diminished cattle herds

An estimated 3 million cattle are in the drought area, reduced to a third of the normal figure of 5 years ago. Rather than see their cattle perish on the farms, cattle producers are putting many on the market, saving at least the nucleus of their herds for 1966.

The South African Government is bringing help to drought-stricken areas in the form of loans, made available for the purchase and transportation of fodder, leasing pastures, and subsistence for families. A master plan to combat drought includes building rain catchment dams on farms, more floodwater walls in rivers, pipelines to carry water to cattle areas threatened by drought, and the inclusion of water conservation as a function of soil conservation committees.